

## Message Text

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ACTION OES-09

INFO OCT-01 EA-10 ISO-00 ACDA-12 CIAE-00 INR-10 IO-13  
L-03 NSAE-00 NSC-05 EB-08 NRC-05 SOE-02 DODE-00  
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R 110947Z AUG 78  
FM AMEMBASSY MANILA  
TO SECSTATE WASHDC 9956  
INFO AMEMBASSY CANBERRA

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E.O. 11652: N/A  
TAGS: NMUC, TECH, ENRG, RP  
SUBJECT: RP-AUSTRALIA SIGN NUCLEAR SAFEGUARD TREATY

1. SUMMARY: AUGUST 8 PHILIPPINES AND AUSTRALIA SIGNED NUCLEAR SAFEGUARDS TREATY AFTER FOUR DAYS OF TOUGH NEGOTIATION. BESIDES USUAL SAFEGUARD CLAUSES, AGREEMENT EXPRESSES "HOPE" THAT LONG-TERM COMMERCIAL SUPPLY CONTRACTS WILL BE REACHED. AFTER SIGNING, MINISTER VELASCO STATED U.S. RATHER THAN AUSTRALIA WOULD SUPPLY INITIAL LOAD OF URANIUM FOR NUCLEAR PLANT. END SUMMARY.

2. PHILIPPINES AND AUSTRALIA SIGNED ON AUGUST 8 NUCLEAR SAFEGUARDS TREATY TO PAVE WAY FOR SUPPLY BY AUSTRALIA OF URANIUM FOR USE IN PHILIPPINE NUCLEAR REACTOR AT BATAAN. AGREEMENT WAS SIGNED BY AUSTRALIAN DEPUTY PRIME MINISTER J. P. ANTHONY AND PHILIPPINE MINISTER OF ENERGY GERONIMO VELASCO, IMMEDIATELY FOLLOWING THE THIRD ROUND OF NEGOTIATIONS BETWEEN THE TWO COUNTRIES.

3. TEXT OF TREATY NOT YET AVAILABLE. ACCORDING TO OFFICER OF AUSTRALIAN EMBASSY, HIGHLIGHTS OF TREATY INCLUDE  
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AGREEMENT TO ABIDE BY NON-PROLIFERATION TREATY AND PROVISIONS THAT URANIUM PROVIDED WOULD NOT BE ENRICHED BEYOND 20 PERCENT, NUCLEAR FUEL WILL NOT BE REPROCESSED, AND THERE WILL BE NO RE-EXPORT FROM PHILIPPINES WITHOUT PRIOR CONSENT OF AUSTRALIA.

4. THIS THIRD AND FINAL ROUND OF NEGOTIATIONS WAS CHAR-

ACTERIZED BY TOUGH NEGOTIATIONS. MAJOR POINT OF CONTENTION WAS THE GOP'S DESIRE FOR GUARANTEED LONG-TERM SUPPLY, WHICH AUSTRALIAN NEGOTIATORS OPPOSED AS NOT NORMALLY INCLUDED IN SAFEGUARD AGREEMENTS, BEING A COMMERCIAL MATTER NOT SUBJECT TO GOVERNMENT-TO-GOVERNMENT AGREEMENT. COMPROMISE LANGUAGE ULTIMATELY ADOPTED EXPRESSED "HOPE" THAT LONG-TERM COMMERCIAL SUPPLY CONTRACTS COULD BE REACHED.

5. ANOTHER PROBLEM IN NEGOTIATION WAS SANCTIONS CLAUSE. IN CASE OF VIOLATIONS, THE AUSTRALIANS INSISTED ON THE RIGHT TO STOP AND RECALL PRIOR SHIPMENTS, A MEASURE FILIPINO NEGOTIATORS FELT TO BE A DEROGATION OF SOVEREIGNTY. GOP BELIEVED TREATY DOES NOT ADEQUATELY DEAL WITH EXCEPTIONABLE CASES, SUCH AS EQUIPMENT BREAK-DOWNS, WHICH MIGHT BE ERRONEOUSLY REGARDED AS A VIOLATION OF THE AGREEMENT. FINAL COMPROMISE PROVIDED FOR PRIOR CONSULTATIONS, BUT DID NOT COMMIT AUSTRALIA AS TO TIMING OF POSSIBLE SANCTIONS, LEAVING THEM FREE TO CARRY OUT SANCTIONS EVEN THOUGH CONSULTATIONS HAD BEEN INITIATED.

6. ACCORDING TO PRESS ACCOUNTS, AFTER SIGNING OF TREATY, VELASCO STATED THAT U.S. RATHER THAN AUSTRALIA WOULD SUPPLY INITIAL URANIUM REQUIREMENT OF 600,000 LBS. AUSTRALIAN EMBASSY OFFICER ALSO MAINTAINED THAT AUSTRALIA WOULD NOT SUPPLY URANIUM FOR INITIAL CHARGE REQUIRED BY BATAAN REACTOR BY START-UP IN 1981-82. LIMITED OFFICIAL USE

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7. COMMENT: BOTH SIDES SEEM SATISFIED WITH TREATY, DESPITE HARD NEGOTIATING THAT PRECEDED IT. DR. IBE, PAEC COMMISSIONER, WAS EXUBERANT ON FOLLOWING DAY, SAYING NEGOTIATION WAS SUCCESS FROM GOP VIEWPOINT, AND AUGURED WELL FOR ANY POSSIBLE FUTURE NEGOTIATIONS WITH U.S. HE DID NOT SPECIFY WHICH NEGOTIATIONS. AUSTRALIAN NEGOTIATORS, ON OTHER HAND, GAVE IMPRESSION THAT GOP RELUCTANTLY ACCEPTED TREATY WORDING ONLY AFTER VELASCO, WHO "WANTED A TREATY" TOOK MATTER DIRECTLY TO PRESIDENT MARCOS. AUSTRALIANS, FOR WHOM TREATY WAS MORE POLITICALLY THAN COMMERCIALLY IMPDRTANT, APPEARED SATISFIED WITH THEIR SUCCESSFUL INSISTENCE ON STRICT CONTROL OF NUCLEAR MATERIALS AND FREEDOM OF ACTION IN AREA OF SANCTIONS. END COMMENT.

8. COPY OF TREATY, REQUESTED FROM MFA, WILL BE FORWARDED TO DEPARTMENT WHEN RECEIVED. MURPHY

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AGREEMENTS, NUCLEAR SAFEGUARDS  
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**TAGS:** MNUC, TECH, ENRG, RP  
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**Type:** TE  
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**Review Markings:**  
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